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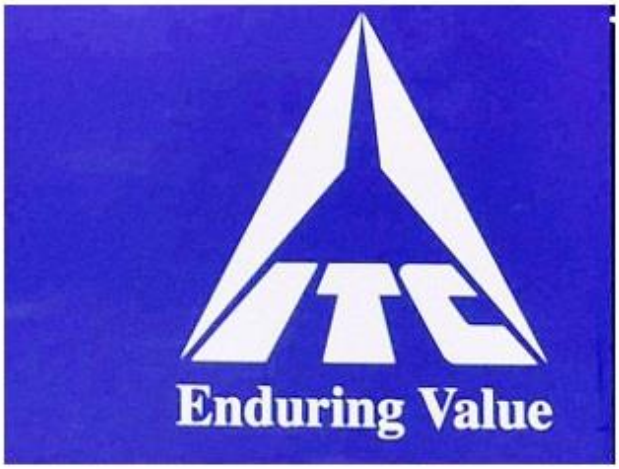
ITC to sell entire stake in US subsidiary for $24 million

By PTI | Updated: Oct 10, 2016

NEW DELHI: Diversified group ITC BSE 0.45 % will sell its entire stake in US-based wholly owned subsidiary 'King Maker Marketing' for USD 24 million (about Rs 160 crore).

King Maker Marketing, registered in the state of New Jersey, USA, is engaged in the distribution of ITC manufactured cigarette products in the US market.

"The Corporate Management Committee has approved divestment of company's entire shareholding in King Maker Marketing, Inc, USA, a wholly owned subsidiary, along with assignment of certain trademarks owned by the company," ITC said in a BSE filing.



Upon completion of the divestment, King Maker Marketing, Inc, USA would cease to be a subsidiary of the company, the company added.

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ITC Ltd 1.00 (0.43%) SLIDE SHOW

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It further said: "An agreement for this purpose has been entered into on October 8, 2016... The consideration to be received is estimated around USD 24 million in terms of the share purchase agreement and subject to regulatory approvals and customary closing conditions".

King Maker Marketing's product lines are the Ace, Checkers, Hi-Val and Gold Crest brand families, positioned in the value segment of the cigarette industry.

Upon completion of the divestment, King Maker Marketing, Inc, USA would cease to be a subsidiary of the company, the company added.

Shares of ITC were trading 0.71 per cent higher at Rs 240.85 on the BSE.